



Testimony submitted on Thursday, October 13, 2011 before the

Senate Labor, Public Safety and Urban Affairs

in support of 2011 Senate Bill 219

Chairman Wanggaard and members of the Senate Labor, Public Safety and Urban Affairs Committee, my name is Brian Dake, Legislative Director for Wisconsin Independent Businesses. On behalf of WIB and its small business members, I am here to testify in support of 2011 Senate Bill 219.

The changes included in 2011 Senate Bill 219 bring much-needed reform to the state's Unemployment Insurance program. In particular, we applaud the inclusion of changes that:

- a) in cases of fraud, claimants would be subject to a penalty of 15% of fraudulently-collected benefits and a doubling of the number of weeks the claimant would be ineligible for unemployment insurance; and
- b) allow DWD to recover paid benefits from a claimant who fails to conduct a reasonable search for suitable work.

These anti-fraud provisions hold claimants accountable for their actions as well as their legal obligations to look for work while receiving unemployment benefits.

With that said, WIB encourages committee members and the Legislature to consider additional reforms to the state's UI program. We recently surveyed our members on the subject of Unemployment Insurance. We asked for their comments to the following questions:

- a) What changes to the state's existing Unemployment Insurance program would you recommend to promote a fair share treatment for small employers?
- b) What changes to the state's existing Unemployment Insurance program would you recommend to reduce waste, fraud and abuse?

On the subject of fair share treatment, members cited the need for clarification of the laws relating to UI eligibility for employees who either quit or are released due to violations of work rules. They believe a change in statute is necessary to disqualify UI claimants for benefits if a claimant knowingly fails to comply with reasonable work rules.

As for steps to reduce waste, fraud and abuse, members thought that better work search record-keeping on the part of claimants as well as enhanced verification of work searches on the part of the Department of Workforce Development would be helpful.

Thank you.